

PAUL HASTINGS

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July 25, 2023

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VIA ECF FILING AND E-MAIL

Hon. Philip Bentley
United States Bankruptcy Judge for
the Southern District of New York
U.S. Courthouse
One Bowling Green
New York, NY 10004-1408

Re: 560 Seventh Avenue Owner Secondary LLC
Case No. 23-11071 (PB)

Dear Judge Bentley:

We represent AREPIII MVT, LLC and CREP Times Square Hotel LLC, the secured lenders to and apparently only actual creditors of the above referenced debtor. The only apparent asset of this debtor is its membership interest in 560 Seventh Avenue Owner Primary LLC, which entity owns and operates the Margaritaville Resort Times Square.

We just received a letter from debtor's counsel to Your Honor requesting a postponement of the hearing on the secured lenders' motion for relief from the stay scheduled for August 3, 2023 at 10:00 am. We respectfully oppose any postponement of either the hearing on the motion or the deadline for the filing and service of any answering papers.

The letter to Your Honor states no justifiable basis for granting the requests. The secured lenders' motion was served and filed on July 12, 2023, thus providing some fifteen (15) days to prepare, file and serve any answering papers. Furthermore, as was indicated to the debtor's counsel when the request for the postponements were made and denied, the situation at the hotel has deteriorated significantly, and it is critical that the motion be heard expeditiously and the UCC disposition proceed as soon as possible, so the indirect ownership and control of the hotel may be changed. E.g., on July 13, 2023, the hotel manager filed a judgment against the hotel owner for \$3,111,115.25, representing damages awarded to it for breach of its management contract, on July 11, 2023, a mechanic's lien was filed against the hotel property for \$302,158.56, and on July 14, 2023, another mechanic's lien was filed against the hotel property for \$2,763,091.77.

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Whether or not the owner of the hotel also files for Chapter 11 protection is irrelevant to the motion before the Bankruptcy Court. This is essentially a one-on-one dispute between a debtor and its secured lenders. The motion should proceed as scheduled, and it is respectfully submitted that request for the postponements of the hearing and the deadline for the filing of answering papers be denied.

Respectfully yours,

/s/ Harvey A. Strickon

Harvey A. Strickon
for PAUL HASTINGS LLP

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